

**Sent by email**

13 November 2023

Dear Sir / Madam

**Sova Capital Limited - In Special Administration (“the Company”)  
In the High Court of Justice Business and Property Courts of England And Wales  
Claim No. CR-2022-000596  
Company Number: 04621383  
Registered Office Address: C/O Teneo Financial Advisory Limited, The Colmore Building,  
20 Colmore Circus Queensway, Birmingham, B4 6AT**

## **CLIENT MONEY HARD BAR DATE NOTICE AND CLAIMS ADJUDICATION PROCEDURE**

As you may be aware, the Company was placed into Special Administration on 3 March 2022, and David Philip Soden, Ian Colin Wormleighton and Stephen Browne of Teneo Financial Advisory Limited were appointed as Joint Special Administrators (the “**Joint Special Administrators**”).

Pursuant to the order of Mr Justice Miles dated 3 October 2023 (the “**Order**”), the Joint Special Administrations hereby notify Clients that they have received Court approval to set a Hard Bar Date in respect of Client Money Claims and to implement a claims adjudication procedure in relation to Client Assets (“**Claims Adjudication Procedure**”). Defined terms used in this letter, unless otherwise stated, have the meanings given to them in the Hard Bar Date Notice detailed below, or (as applicable) Schedule 1 of the Order. Please refer to Appendix 1 of the enclosed copy of the Claims Adjudication Procedure for further details of the Order definitions.

### **1. Hard Bar Date**

Please find enclosed a copy of the Client Money Hard Bar Date Notice (the “**Hard Bar Date Notice**”).

As detailed in the Hard Bar Date Notice, the **Client Money Hard Bar Date expires at 17.00 (GMT) on 13 December 2023.**

**Clients who have not yet engaged with the Joint Special Administrators in respect of the return of their Client Money and/or who have not provided their Client Statements to the Joint Special Administrators are urged to contact the Joint Special Administrators and/or provide such Client Statements as soon as possible. If you are not sure whether you have returned your Client Statement, please contact the Joint Special Administrators.**

#### **PRIVATE & CONFIDENTIAL**

The insolvency licence holders of this practice are licensed as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales. When acting as Administrators, Liquidators, Supervisors, and Receivers the insolvency licence holders act as agents of the Company and contract without personal liability.  
Regulated by the Institute of Chartered Accountants in England & Wales for a range of investment business activities.

**Teneo Financial Advisory Limited**  
Registered in England & Wales,  
Company Number 13192958

Clients who have already submitted Client Statements<sup>1</sup> to the Joint Special Administrators are not required to take any action in relation to the Hard Bar Date Notice.

As further detailed in the Hard Bar Date Notice:

- (1) the Client Money Hard Bar Date only applies to Client Money Claims and does not apply to clients' safe custody assets received or held by the Company. The notice does not require clients to take any action in relation to any claims, other than Client Money Claims, that they may have.
- (2) After the expiry of the Client Money Hard Bar Date, the Joint Special Administrators:
  - (a) may, in accordance with the rules in the Financial Conduct Authority's Client Asset Sourcebook, transfer to the Company's own bank accounts any balance of the client money pool which the Company holds after the return of Client Money to eligible claimants; and
  - (b) may not meet any further final money claims.

Any final Client Money Claim received after expiry of the Hard Bar Date will rank as an unsecured claim.

## **2. Claims Adjudication Procedure**

Please find enclosed a copy of the Claims Adjudication Procedure approved by the Court. The Joint Special Administrators will adjudicate claims for client asset entitlements using the Claims Adjudication Procedure. As detailed in the Claims Adjudication Procedure, Clients who are dissatisfied with the Joint Special Administrators' decision may appeal to Court.

Clients who have already submitted agreed Client Statements to the Joint Special Administrators are not required to resubmit details of their claims. The Joint Special Administrators will contact such Clients individually regarding the return of any remaining balance of their Client Assets.

**Clients who have not yet engaged with the Joint Special Administrators in respect of the return of their Client Assets (including Client Money) and/or who have not provided their Client Statements to the Joint Special Administrators are urged to contact the Joint Special Administrators and/or provide such Client Statements as soon as possible. If you are not sure whether you have returned your Client Statement, please contact the Joint Special Administrators.**

## **3. Joint Special Administrator Next steps**

Further to the expiry of the Client Money Hard Bar Date at 17.00 (GMT) on 13 December 2023, the Joint Special Administrators intend to:

- use the Claims Adjudication Procedure to adjudicate any Client Asset (including Client Money) proofs where the amounts detailed in the Client Statements are in dispute;
- close the Client Money Pool and treat any further claim for the return of Client Money as an unsecured claim; and
- return the balance of Client Assets (including Client Money) as soon as is reasonably practicable.

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<sup>1</sup> The Joint Special Administrators sent statements to all Clients on 23 March 2022 reflecting the Joint Special Administrators' understanding of the client money and client assets held by the Company on behalf of such Clients ("**Client Statements**")

Should you have any queries or questions in relation to this letter, please contact the Company as follows:

Email: [CASS.SovaCapital@teneo.com](mailto:CASS.SovaCapital@teneo.com) or [crm@sovacapital.com](mailto:crm@sovacapital.com)

Post: Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT.

Yours faithfully

A handwritten signature in black ink, appearing to be 'David Soden', with a long horizontal stroke extending to the right.

David Soden  
Joint Special Administrator

Sova Capital Limited  
(in Administration)

Enc. Client Money Hard Bar Date Notice  
Claims Adjudication Procedure

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**INSOLVENCY AND COMPANIES LIST (ChD)**  
**Claim No. CR-2022-000596**

**SOVA CAPITAL LIMITED (IN SPECIAL ADMINISTRATION)**

Company Number: 04621383

Trading Name: Sova Capital and Sova Capital Limited (previously trading as Otkritie Capital International, Otkritie Capital and ABC Clearing)

Registered office: C/o Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham B4 6AT

Principal trading address: 12 Floor, 88 Wood Street, London EC2V 7RS

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**CLIENT MONEY HARD BAR DATE NOTICE**  
**IN ACCORDANCE WITH REGULATIONS 12C AND 12E OF THE INVESTMENT**  
**BANK SPECIAL ADMINISTRATION REGULATIONS 2011**  
**CLIENT MONEY HARD BAR DATE: 17.00 (GMT) on 13 DECEMBER 2023**

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David Philip Soden (IP 015790), Ian Colin Wormleighton (IP014230) and Stephen Roland Browne (IP 009281), of Teneo Financial Advisory Limited, the Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT were appointed as special administrators (the “**Joint Special Administrators**”) of Sova Capital Limited (in special administration) (the “**Company**”) on 3 March 2022 pursuant to an application made by the directors of the Company under regulation 5(1)(b) of The Investment Bank Special Administration Regulations 2011 (as amended) (the “**Regulations**”).

On 27 July 2023, the Joint Special Administrators posted a notice on the Company’s website stating that they intended to apply to the Court for (among other things) directions in relation to the setting of a hard bar date in respect of claims for the return of client money (“**Client Money**”) which has been pooled in accordance with the Financial Conduct Authority’s client money distribution and transfer rules (“**Client Money Claims**”). That application was granted by Mr Justice Miles on 3 October 2023 (the “**Order**”).

**Hard Bar Date Notice**

The Joint Special Administrators hereby give notice, in accordance with Regulation 12C and the Order, as follows:

- (3) The Joint Special Administrators consider that it is necessary, in order to achieve Objective 1 under Regulation 10(1)(a) (to ensure the return of client

assets (including client money) as soon as is reasonably practicable), to close the client money pool and treat any further claim for the return of Client Money as an unsecured claim.

- (4) the Joint Special Administrators hereby set a hard bar date of 17.00 (GMT) on 13 December 2023 for Client Money Claims (the “**Client Money Hard Bar Date**”).
- (5) The Client Money Hard Bar Date only applies to Client Money Claims and does not apply to clients’ safe custody assets received or held by the Company. This notice does not require clients to take any action in relation to any claims, other than Client Money Claims, that they may have.
- (6) After the expiry of the Client Money Hard Bar Date, the Joint Special Administrators:
  - (c) may, in accordance with the rules in the Financial Conduct Authority’s Client Asset Sourcebook, transfer to the Company’s own bank accounts any balance of the client money pool which the Company holds after the return of Client Money to eligible claimants; and
  - (d) may not meet any further final money claims.
- (7) For the purposes of this notice:
  - (a) an “eligible claimant” is a person:
    - (i) to whom the Joint Special Administrators have already made a distribution of Client Money without receiving a claim for the return of Client Money to that person;
    - (ii) who has submitted a claim for the return of Client Money other than a final money claim; or
    - (iii) who submits a final money claim on or before the Client Money Hard Bar Date.
  - (b) A “final money claim” is a claim for the return of Client Money which is submitted in response to the setting of the Client Money Hard Bar Date.

### **Next Steps**

In accordance with Regulation 12E, this notice will be:

- (1) sent to all clients of the Company whose claims for the return of Client Money the Joint Special Administrators are aware of, provided the Joint Special Administrators have a means of contacting those clients;

- (2) sent to all those persons whom the Joint Special Administrators believe have a right to assert a security interest or other entitlement over Client Money, provided the Joint Special Administrators have a means of contacting those persons;
- (3) sent to the Financial Conduct Authority;
- (4) advertised once in the London Gazette;
- (5) advertised in the Financial Times and the Financial Times International; and
- (6) placed on the Company's website at [www.sovacapital.com](http://www.sovacapital.com).

A hard copy of this notice may be requested from the Joint Special Administrators using the contact details below.

If you believe that you have a Client Money Claim, please return your signed CASS Client Statement to the Joint Special Administrators on or before the Client Money Hard Bar Date. Your CASS Client Statement is available upon request by emailing [CASS.SovaCapital@teneo.com](mailto:CASS.SovaCapital@teneo.com) or [crm@sovacapital.com](mailto:crm@sovacapital.com).

If you have been sent this notice, it does not mean that you necessarily have a Client Money Claim or are otherwise entitled to receive a distribution of Client Money.

Any general queries in relation to this notice should be directed to [CASS.SovaCapital@teneo.com](mailto:CASS.SovaCapital@teneo.com) or [crm@sovacapital.com](mailto:crm@sovacapital.com). Alternatively, the Joint Special Administrators can be contacted at [sovacapital@teneo.com](mailto:sovacapital@teneo.com) and telephone queries can be made at 01133960166. You may wish, however, to consult your own legal and other professional advisers for advice in relation to the scope and effect of this notice.

**David Philip Soden, Ian Colin Wormleighton and Steven Roland Browne**  
(as Joint Special Administrators of Sova Capital Limited (in special administration))

The Joint Special Administrators act as agents of Sova Capital Limited (in special administration) without personal liability

13 November 2023

## Sova Capital Limited (in special administration)

### Claim Adjudication Procedure

This document sets out the Claims Adjudication Procedure for Clients approved by order of Mr Justice Miles dated 3 October 2023 (the "**Order**"). Any expression not defined herein has the meaning given to it in Schedule 1 to the Order (as set out in Appendix 1 to this document) or, as applicable, in CASS 6, CASS 7 or CASS 7A and other provisions of the Financial Conduct Authority's Handbook including the Glossary thereto as at 3 October 2023.

#### Claiming for a client asset entitlement

1.

- (a) A person claiming to have a client asset entitlement (a "**Client Asset Claimant**") and wishing to recover their client asset entitlement in whole or in part must (subject to any order of the Court to the contrary) submit or have submitted their claim in writing to the Special Administrators; and they may do so or have done so by way of a Claim Form.
- (b) A Client Asset Claimant is referred to as "**proving**" for their client asset entitlement and a document by which a Client Asset Claimant seeks to establish their claim is their "**client asset proof**".
- (c) Subject to the next sub-paragraph, a client asset proof must take the form of a Claim Form and must contain sufficient information to enable the Special Administrators to reach a decision on the admissibility of the claim.
- (d) The Special Administrators may call for any document or other evidence to be produced, where they think it necessary for the purpose of adjudicating on the whole or any part of the client asset proof.
- (e) Client asset proofs must be submitted by email to [CASS.SovaCapital@Teneo.com](mailto:CASS.SovaCapital@Teneo.com).

#### Costs of proving

2. Unless the Court otherwise orders

- (a) every Client Asset Claimant shall bear the cost of proving their own entitlement, including costs incurred in providing documents or evidence under Rule 1;
- (b) costs incurred by the Company and by the Special Administrators in assessing a Client Asset Claimant's Client Money entitlement, including the costs of and occasioned by any appeal under Rule 5, are payable from the Client Money Pool as costs properly attributable to the distribution of the Client Money Pool (without prejudice to any right the Company and/or the Special Administrators may have to recover their costs of an appeal from the Client Asset Claimant in such appeal); and

- (c) costs incurred by the Company and by the Special Administrators in assessing a Client Asset Claimant's entitlement (not including Client Money), will be paid as an expense of the special administration out of client assets (not including client money) remaining to be distributed in the special administration of the Company.

### **Variation of proof**

- 3. A Client Asset Claimant's client asset proof may at any time, by agreement with the Special Administrators, be varied as to the amount claimed.

### **Admission and rejection of client asset proofs**

- 4.
  - (a) The Special Administrators may admit a client asset proof either for the whole amount claimed, or for part of that amount. Where a client asset proof has not already been agreed as at the date of this Order, the Special Administrators shall notify clients of the amount of the proof admitted by individual notice.
  - (b) If the Special Administrators reject a client asset proof in whole or in part on or after the date of the Order, the Special Administrators shall prepare a written statement of reasons for doing so, and send it as soon as reasonably practicable to the Client Asset Claimant.
  - (c) If the Special Administrators had rejected a client asset proof in whole or in part and sent such a statement prior to the date of the Order, the Special Administrators shall send a notice to the Client Asset Claimant confirming that statement.

### **Appeal against decision on proof**

- 5.
  - (a) If a Client Asset Claimant is dissatisfied with the Special Administrators' decision with respect to their client asset proof, that Client Asset Claimant may apply to the Court for the decision to be reversed or varied. Any such application must be made pursuant to Chapter 5 of Part 9 of The Investment Bank Special Administration (England and Wales) Rules 2011, in the Company's special administration proceedings, using the form of application notice appended to this Adjudication Procedure ("**Form 1**").
  - (b) An application under sub-paragraph (1) must be filed with the Court within 42 days of the Client Asset Claimant receiving the statement under Rule 4(2) or the notice under Rule 4(3), as applicable.
  - (c) A Client Asset Claimant who files an application under sub-paragraph (1) above must forthwith give notice in writing to the Special Administrators of the filing of that application.
  - (d) Where an application is made to the Court under this Rule, the Court shall fix a venue for the application to be heard, notice of which shall be sent by the applicant to the Special Administrators.
  - (e) Neither the Company nor the Special Administrators shall be personally liable for costs incurred by a Client Asset Claimant or any other person



in respect of an application under this Rule unless the Court otherwise orders.

- (f) The period set out in Rule 5(b) may be varied by the written agreement of the Client Asset Claimant and the Special Administrators.

### **Client asset balances in the records of the Company for which no claim is submitted**

6.

- (a) Where the Company has a record of a Client Asset balance with respect to a Client who has not submitted a client asset proof, the Special Administrators may in their sole and absolute discretion (subject to any Hard Bar Date) make provision as if that Client has a Client Asset entitlement equal to their Client Asset balance.
- (b) The Special Administrators shall be entitled to apply for directions with respect to any provision made in accordance with sub-paragraph (1) above.

### **Notices**

- 7. (1) Any notice or statement to be sent by the Special Administrators to a Client Asset Claimant may be sent by email, fax and/or post and shall be deemed to have been received by the Client Asset Claimant:
  - (i) if sent by first class post to an address within the UK, 2 business days after posting;
  - (ii) if sent by airmail post to an address not within the UK, 5 business days after posting;
  - (iii) if sent by fax or email before 5 pm London time on a business day, on that business day; and
  - (iv) if sent by fax or email on a day that is not a business day or after 5 pm London time on a business day, on the next following business day.
- (2) For the purposes of sending notices or statements to a Client Asset Claimant, the Special Administrators shall use the primary email address, fax number and/or address recorded on the Company customer information system.
- (3) Any notices or legal proceedings to be sent to or served on the Company or the Special Administrators must be emailed to CASS.SovaCapital@Teneo.com with a hard copy delivered for the attention of the Special Administrators to: Sova Capital Limited (in Special Administration), C/O Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT.

(Rule 5 of  
the Client  
Asset  
Adjudication  
Procedure)

**Form 1**

**APPEAL AGAINST REJECTION OF CLIENT ASSET PROOF  
IN THE MATTER OF THE INVESTMENT BANK SPECIAL  
ADMINISTRATION REGULATIONS 2011**

**Application Notice**

Sova Capital Limited (in special  
administration)

Company number 04621383

In the High Court of Justice  
Business and Property Courts of  
England and Wales  
Insolvency and Companies List  
ChD

*For court use only*

Court case number:

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*Appeal against the rejection of a client asset proof pursuant to Rule 5 of  
the Claim Adjudication Procedure prescribed by the Order of Mr Justice  
Miles dated 3 October 2023*

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**Between  
Applicant**

**and  
Respondent**

*[insert applicant details]*

(1) Sova Capital Limited (in special  
administration)

(as trustee of the Client Assets)

(2) David Philip Soden

(3) Ian Colin Wormleighton

(4) Stephen Browne

(as the Special Administrators of Sova  
Capital Limited (in special  
administration))

This application is made pursuant to the Investment Bank Special Administration (England and Wales) Rules 2011, in accordance with Rule 5 of the Adjudication Procedure prescribed in the Order of Mr Justice Miles dated 3 October 2023

The application shall be governed by the Adjudication Procedure and the Court shall give directions for the determination of this application in accordance with that procedure and, as appropriate, Chapter 5 of Part 9 of the Investment Bank Special Administration (England and Wales) Rules 2011

(a) Insert The Applicant (a)  
name of the  
applicant  
appealing  
the rejection  
of the client  
asset proof

(b) Insert whose address is (b)  
address of  
the  
applicant  
and / or the  
solicitor for  
the  
applicant

For Office intends to apply to the Judge on:  
use only

Date

Time

hours

Place

(c) Clearly state what order you are seeking For an order that (c)

(d) Briefly set out why you are seeking the order and what evidence you rely on in support of it For the following reasons (d)

Date:

Signed/authenticated:

[SOLICITOR FOR THE]  
APPLICANT]

## APPENDIX 1

### Definitions

**"CASS 6"** means Chapter 6 of the FCA's Client Assets Source Book (the "Custody Rules");

**"CASS 7"** means Chapter 7 of the FCA's Client Assets Sourcebook (the "Client Money Rules");

**"CASS 7A"** means Chapter 7A of the FCA's Client Assets Sourcebook (the "Client Money Distribution and Transfer Rules");

**"Claim Form"** means a client asset claim form, in the form issued to Clients by the Special Administrators and completed to the satisfaction of the Special Administrators;

**"Client"** means a person for whom the Company has undertaken to receive or hold Client Assets (whether or not that undertaking has been complied with);

**"Client Assets"** means assets which the Company holds for a client (whether by means of trust or other means) including Client Money (unless otherwise stated);

**"Client Money"** means client money which the Company holds in accordance with the rules made by virtue of sections 138 and 139 of Financial Services and Markets Act 2000;

**"Client Money Pool"** means the notional pool of pre-administration client money held by the Company in accordance with CASS 7;

**"Court"** means the High Court of Justice, Business and Property Courts of England and Wales, Chancery Division;

**"FCA"** means the Financial Conduct Authority;

**"Hard Bar Date"** means a hard bar date for the submission of Client Money or Client Asset claims (as applicable) pursuant to the Court's approval pursuant to Regulation 12C(3) IBSAR;

**"IBSAR"** means the Investment Bank Special Administration Regulations 2011 as amended as at the date of the administration of the Company;

**"Order"** means the order, on the application, to which this Adjudication Procedure is scheduled;

**"Rule"** means each of the sections of the Adjudication Procedure under Schedule 2 numbered 1 to 7;

**"sub-paragraph"** means each of the sub-sections of the Rules in the Adjudication Procedure under Schedule 2 numbered in the format (1), (2) etc.

Date: \_\_\_\_\_

Acc. No: \_\_\_\_\_

Acc. Full Name: \_\_\_\_\_

## Additional Bank Details

**Details for all currencies except RUB:**

**Please specify currency** \_\_\_\_\_

1	Correspondent Bank name	
	SWIFT code/ABA code/SORT code	
2	Beneficiary's Bank name	
	Account No/IBAN of Beneficiary's Bank with Correspondent Bank	
	SWIFT code/ABA code/SORT code	
3	Beneficiary's name	
	Account No/IBAN of Beneficiary with Beneficiary's Bank	
	SWIFT code/ABA code/SORT code (should be filled only if Beneficiary has SWIFT, ABA or SORT code )	
4	Payment details (should be filled if payment chain consists of more than 3 participants, please indicate further participants here, <b>including final beneficiary</b> )	

**Details for RUB transfers only**

1	Russian Beneficiary's Bank name	
	20-digit account No of Beneficiary's Bank with Central Bank of Russia (30101810...)	
	9-digit BIC code	
2	Beneficiary's name	
	20-digit account No of Beneficiary with Russian Beneficiary's Bank	
3	Payment details (should be filled if payment chain consists of more than 2 participants, please indicate further participants here, <b>including final beneficiary</b> )	

For and on behalf of \_\_\_\_\_

Signature: \_\_\_\_\_ ( \_\_\_\_\_ )

Name

